

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.,¹) Case No. 01-01139 (JKF)
) (Jointly Administered)
)
Debtors.) **Objection Deadline:** April 14, 2005,
at 4:00 p.m. (prevailing eastern time)

**SUMMARY APPLICATION OF LATHAM & WATKINS LLP FOR COMPENSATION
FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS SPECIAL ENVIRONMENTAL
COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE SECOND MONTHLY INTERIM
PERIOD, FROM FEBRUARY 1, 2005, THROUGH FEBRUARY 28, 2005,
FOR THE QUARTER OF JANUARY - MARCH, 2005**

Name of Applicant: Latham & Watkins LLP ("L&W")

Authorized to Provide Professional Services to: W. R. Grace & Co., et al., Debtors and
Debtors-in Possession

Date of Retention: Retention Order entered June 16, 2004,
effective nunc pro tunc from April 1, 2001.

Period for which compensation and reimbursement
is sought: December 1, 2004 through December 30, 2004

Amount of Compensation sought as actual,
reasonable and necessary: \$22,065.00

Amount of Expense Reimbursement sought
as actual, reasonable and necessary: \$628.01

This is a(n) X monthly, ___ interim, ___ final application.

¹ The debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Comm., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester new Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Koontenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for the preparation of this application is approximately 1 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$1,200.00.

This is the second monthly application for interim compensation of services for the January-March 2005 quarter that the Debtors have filed with the Bankruptcy Court in the Chapter 11 Cases. The following applications have been filed previously in the Chapter 11 Cases:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
On or about August 9, 2004	December 2003 – June 2004	\$211,719.00	\$6,927.50	All fees approved	\$6,897.50 approved
On or about August 25, 2004	July 1, 2004 – July 31, 2004	\$11,334.50	\$201.32	Awaiting approval	Awaiting approval
On or about October 25, 2004	August 1, 2004 – August 31, 2004 and September 1, 2004 – September 30, 2004	\$81,729.50	\$5,199.44	Awaiting approval	Awaiting approval
On or about November 25, 2004	October 1, 2004 – October 30, 2004	\$45,050.00	\$1,825.59	Awaiting approval	Awaiting approval
On or about December 25, 2004	November 1, 2004 - November 30, 2004	\$31,913.50	\$1,509.91	Awaiting approval	Awaiting approval
On or about January 25, 2005	December 1, 2004 – December 31, 2004	\$26,177.50	\$1,282.35	Awaiting approval	Awaiting approval
On or about February 25, 2005	January 1, 2005 – January 31, 2005	\$23,485.50	\$314.93	Awaiting approval	Awaiting approval

The hearings for the Quarterly Applications for the interim periods October 1, 2004, through December 31, 2004, and January 1, 2005, through March 31, 2005, have not yet been scheduled.

The L&W attorneys who rendered professional services in these cases during the Fee Period are:

Name of Attorney	Position with the Applicant	Number of Years as an Attorney	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
John McGahren	Partner	15	Environmental	510.00	12.50	\$ 6,375.00
Laurie D. Matthews	Contract Associate	10	Environmental	485.00	26.30	12,755.50
Jeffrey P. LeJava	Associate	7	Environmental	415.00	5.0	2,075.00
Steven E. Savage	Associate	2	Litigation	295.00	2.60	767.00
Total for Attorneys					46.40	\$21,972.50

The L&W legal assistant who rendered professional services in these cases during the Fee Period is:

Name of Legal Assistant	Position with the Applicant	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Elsie Zecchino	Specialist	Environmental	185.00	0.50	\$92.50

Compensation by Matter

Matter Number	Matter	Total Hours	Total Fees Requested
029016-0001	Hatco Remediation	39.30	\$19,223.00
029016-0003	Special Counsel Fee Application	7.60	\$2,842.00
		46.90	\$22,065.00

Expense Summary for Hatco Remediation

Description	Amount
Telephone	\$ 162.44
Photocopying	247.84
Federal Express	20.28
Overtime	180.00
Calling Card	0.90
Total	\$611.46

Expense Summary for Special Environmental Counsel Application

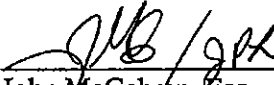
Description	Amount
Telephone	\$4.99
Photocopying	11.56
Total	\$16.55

WHEREFORE, L&W respectfully requests (a) that an allowance be made to it, as fully described above for (i) the amount of \$22,065.00 for reasonable and necessary professional services L&W has rendered to the Debtors during the Fee Period and (ii) the reimbursement of actual and necessary costs and expenses incurred by L&W during the Fee Period (\$628.01); (b) that both fees and expenses are payable as administrative expenses of the Debtors' estates; and (c) that this Court grant such further relief as is equitable and just.

Newark, New Jersey
Dated: March 25, 2005

Respectfully submitted,

LATHAM & WATKINS LLP



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